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CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 744

Introduced by Assembly Member John A. Pérez

February 17, 2011

An act to add Chapter 2 (commencing with Section 13988) to Part 4.5 of Division 3 of Title 2 of the Government Code, relating to intellectual property.

LEGISLATIVE COUNSEL'S DIGEST

AB 744, as amended, John A. Pérez. Intellectual Property.

Existing law permits various state agencies to enter into contracts and agreements, create liabilities, and develop, own, and control the use of intellectual property developed by the state.

This bill would authorize the Department of General Services to carry out various powers and duties relating to assisting a state agency in the management and development of intellectual property developed by state employees or with state funding, including, among other duties, developing a database of state-owned intellectual property using specified data.

This bill would, notwithstanding any other law, provide that state agencies and departments may, upon request, share records and

information related to intellectual property generated by state employees or with state funding with the department. This bill would also impose certain restrictions on employees and former employees of the department with respect to divulging certain information provided by state agencies and departments regarding intellectual property.

This bill would provide that these provisions do not apply to intellectual property agreements administered by the Regents of the University of California or to the Trustees of the California State University, with exceptions, or to intellectual property agreements governed by the California Stem Cell Research and Cures Bond Act. The bill would also provide that certain provisions of the bill do not apply to intellectual property created by nonstate employees or without state funding, *as defined*, that is an expressive work, as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2 (commencing with Section 13988) is
2 added to Part 4.5 of Division 3 of Title 2 of the Government Code,
3 to read:

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CHAPTER 2. INTELLECTUAL PROPERTY

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7 13988. The Legislature finds and declares all of the following:

8 (a) The state is home to many of the world's top research
9 universities, national laboratories, and leading-edge
10 high-technology companies that generate significant intellectual
11 property.

12 (b) It is in the interest of the state to ensure that the results of
13 state-funded research are promptly developed and protected and
14 to make the research available in the public domain, where
15 appropriate.

16 (c) The commercialization of technology developed with the
17 investment of taxpayer dollars in the form of contracts, grants, and
18 agreements could generate public benefit, including, but not limited
19 to, state revenues, favorable pricing, revenue sharing, reinvestment
20 into research, development of new technologies, the
21 commercialization of the product of state-funded research, and the
22 jobs created from these types of research.

1 (d) It is in the interest of the state to facilitate, promote, and
2 enhance technology transfer programs that will facilitate the
3 transfer of technology into the marketplace for the public benefit.

4 (e) The Legislature supports the use of efficient models to
5 develop and streamline infrastructures, policies, and processes for
6 the management of intellectual property developed under state
7 funding in order to stimulate economic development in the state
8 while, at the same time, minimizing costs of administering policies
9 in this area.

10 (f) It is the intent of the Legislature that the rights of state
11 agencies and departments to track and manage intellectual property
12 created with any state funds shall be interpreted so as to promote
13 the benefit to the public.

14 (g) It is the intent of the Legislature that the Department of
15 General Services have access to information about intellectual
16 property created by state employees and by state-funded research,
17 consistent with state and federal laws and regulations governing
18 access to this information.

19 (h) The Legislature recognizes that the licensing of or limitations
20 on the use of intellectual property should accommodate free
21 expression and, therefore, state agencies and departments should
22 not develop policies or procedures to license or otherwise limit
23 the use of the state's intellectual property in expressive works
24 created by nonstate employees or without state funding.

25 13988.1. Unless the context otherwise requires, the definitions
26 in this section govern the construction of this chapter:

27 (a) "Department" means the Department of General Services.

28 (b) "Databases" means compilations of data, typically generated
29 from research, sometimes from one source, but often combined
30 from many sources.

31 (c) "Expressive works" means a play, book, magazine,
32 newspaper, musical composition, audiovisual work, radio or
33 television program, work of art, work of political or newsworthy
34 value, or an advertisement or commercial announcement for any
35 of these works, if it is fictional or nonfictional entertainment, or a
36 dramatic, literary, or musical work.

37 (d) "Intellectual property" means intangible assets that are
38 subject to statutory protection under applicable patent, copyright,
39 and trademark law. Intellectual property includes, but is not limited
40 to, inventions, industrial designs, identifying marks and symbols,

1 electronic publications, trade secrets, and literary, musical, artistic,
2 photographic, and film works.

3 (e) “State funding” shall not include ~~funding~~ *either of the*
4 *following:*

5 (1) *Funding* from the California Film and Television Tax Credit
6 Program established pursuant to Sections 17053.85 and 23685 of
7 the Revenue and Taxation Code and Chapter 7.75 (commencing
8 with Section 5500) of Title 10 of the California Code of
9 Regulations.

10 (2) *Any fee, tax, fine, or penalty assessed, collected, or received*
11 *by an air pollution control district or an air quality management*
12 *district, including any fee, tax, fine, or penalty that is authorized*
13 *by the state but is not remitted to a state agency. However, state*
14 *funding shall include a fee, tax, fine, or penalty that is collected*
15 *by an air pollution control district or an air quality management*
16 *district that is remitted to a state agency, such as the State Air*
17 *Resources Board.*

18 13988.2. (a) The department shall perform all of the following
19 functions:

20 (1) Commencing January 1, 2015, and every three years
21 thereafter, track intellectual property generated by state employees
22 or with state funding.

23 (2) Develop a database that includes, but is not limited to,
24 tracking intellectual property by category of protection, date of
25 creation, owner of intellectual property, grantee, state agency or
26 granting entity, sources of funding, and status of licensing,
27 including invention utilization updates. Failure to include an item
28 in the database does not create any presumption regarding
29 ownership. Prior to January 1, 2018, the database shall include the
30 summary of state-owned intellectual property found in the
31 California State Auditor’s Report 2011-106 on intellectual property.
32 After January 1, 2018, and every three years thereafter, the database
33 shall be updated using information collected by the department
34 pursuant to this section.

35 (3) Develop a sample maintenance plan of an inventory of
36 intellectual property.

37 (4) Develop factors that state agencies should consider when
38 deciding whether to sell their intellectual property or license it to
39 others.

1 (5) Develop an outreach campaign informing state agencies of
2 their rights and abilities concerning intellectual property created
3 by their employees.

4 (6) Develop sample invention assignment agreements that state
5 agencies can consider if they believe it is necessary to secure the
6 rights to potentially patentable items created by their employees
7 on worktime using state resources.

8 (7) Develop sample language for licenses or terms-of-use
9 agreements that state agencies can use to limit the use of their
10 intellectual property by others to only appropriate purposes.

11 (b) This section shall not apply to the use of expressive works
12 created by nonstate employees or without state funding.

13 13988.3. (a) Notwithstanding any other law, state agencies
14 and departments may, upon request, share records and information
15 related to intellectual property generated by state employees or
16 with state funding with the department.

17 (b) Any employee or former employee of the department who
18 has access to or knowledge of the records and information
19 described in subdivision (a), shall not divulge or make known to
20 any person not employed by the department in any manner not
21 expressly permitted by law any particulars of these records or
22 information that is restricted by law from public disclosure, or
23 represents a first publication of research results, or information
24 pertaining to patent rights that would not otherwise be publicly
25 available.

26 13988.4. (a) This chapter shall not apply to intellectual
27 property or intellectual property related agreements administered
28 by the Regents of the University of California, the subcontractors
29 of the Regents of the University of California, and the Trustees of
30 the California State University. This chapter shall apply to a
31 funding agreement from a state agency for the performance of
32 research, and these funding agreements shall be subject to the
33 model contract provisions developed pursuant to Chapter 14.27
34 (commencing with Section 67325) of Part 40 of Division 5 of Title
35 3 of the Education Code.

36 (b) This chapter shall not apply to intellectual property
37 agreements governed by the California Stem Cell Research and

- 1 Cures Bond Act (Chapter 3 (commencing with Section 125290.10)
- 2 of Part 5 of Division 106 of the Health and Safety Code).

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